

INVESTING IN AMERICA'S FUTURE

Republican Vision to Pay Off the Public Debt by 2015

Why is paying off the public debt important to working Americans?

- Paying off the public debt will help ensure lower interest rates on credit cards, car loans and home mortgage payments.
- Lower interest rates mean Americans can keep more money in their pockets as well as get more for their money when purchasing goods and services.
- Lower interest rates also allow people to pay off their own debt sooner through refinancing current loans or paying off those loans.

How much does the average American owe on the public debt?

With the public debt at \$3.6 trillion:

- ✓ Every baby born today owes nearly \$14,000 on the public debt before they take their first step.
- ✓ The average family of four owes \$56,000 on the public debt – nearly twice the average income.

How much do Americans pay just to service interest on the debt?

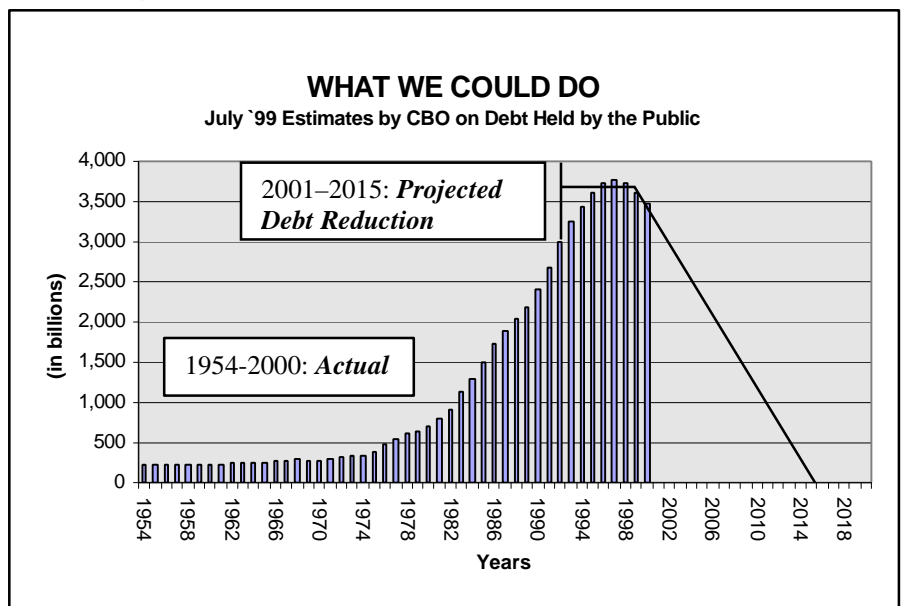
- ✓ This year, \$230 billion in federal taxes will be devoted solely to paying interest on the debt – while about \$288 billion will be spent on our entire national defense budget.
- ✓ That means it will cost every man, woman, and child living in America \$1,000 this year alone just to pay interest on the public debt – money that could be better spent on other priorities.

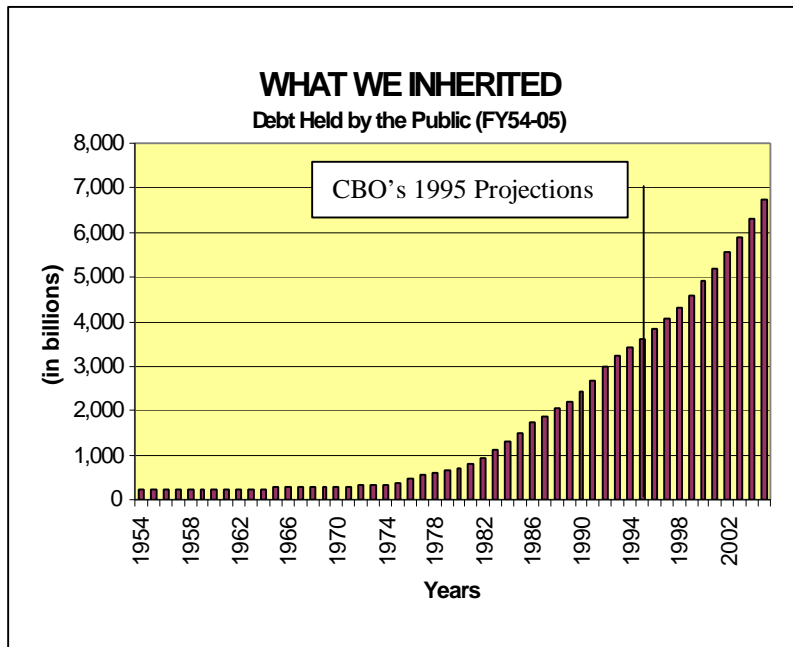
What is the Speaker's vision on paying off the public debt?

- After consultations with Budget Chairman John Kasich (R-OH) and other House Republicans, Speaker Dennis Hastert (R-IL) wants to put the Congress on a path to paying off the public debt by 2015, if not before.

What is the Speaker's announcement on paying off the debt?

- Speaker Hastert believes American taxpayers can be public debt-free by at least 2015, but only if the Congress:
 - ✓ Prevents Washington big spenders from raiding the Social Security Trust Fund;
 - ✓ Keeps the budget balanced by weeding out wasteful government spending; and,
 - ✓ Wisely invests current surplus tax dollars into accelerated debt relief.
- Speaker Hastert has directed the House Budget Committee to immediately begin working on legislation to present to the House Republican Leadership before a federal budget is passed – no later than April 15th.
- Speaker Hastert urges President Clinton to work with Republicans on this historic budget mission.





How did we inherit such a debt?

- When Democrats ran Congress for 40 years, the government spent more money than it collected in taxes – leaving over \$3 trillion in public debt in 1995 & budget deficits as far as the eye could see.
- When Republicans pay off the debt by 2015, it will be the first time since 1835, when Andrew Jackson was President, that the country will be public debt-free.

Why is paying off the public debt important to the economy?

- Paying off the public debt makes more money available in the private-sector for savings & investment, which yields

greater productivity, robust economic growth, and the creation of new jobs.

What does Federal Reserve Chairman Alan Greenspan think about paying off the public debt?

- “Reducing the federal debt to the public at this stage is unquestionably the most important thing that I believe we can do if meeting the future needs of the economy is the standard.”

Topeka Capital Journal, February 16, 1999

What's the Republican track record on keeping budget commitments?

- ✓ In 1995, Republicans set a goal of balancing the budget and reducing the deficit by controlling government spending.
- ✓ After meeting that goal, Republicans raised the bar in 1997 by setting a new goal of eliminating the deficit by controlling spending and balancing the budget by 2002. The Congress eliminated the deficit and balanced the budget by 1998.
- ✓ In early 1999, Republicans raised the bar on fiscal responsibility even further by pledging to keep the budget balanced without spending the Social Security Trust Fund to do so. Through spending discipline and a strong economy, the Congress achieved this goal by November 1999.
- ✓ Government budget estimates due out on Jan. 26, 2000, will confirm that Republicans achieved their goal of stopping the raid on Social Security, while also keeping the budget balanced.

